



GUAM DEPARTMENT OF EDUCATION EDUCATION STABILIZATION FUND EXPENDITURES FLASH REPORT B

FLASH REPORT

March 1, 2020 through April 30, 2024

OPA Report No. 24-08

July 2024





**Guam Department of Education
Education Stabilization Fund Expenditures
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Distribution via Email

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Guam Department of Education's Education Stabilization Fund Expenditures Flash Report B
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A Deeper Dive into GDOE's ESF Expenditures

The Guam Office of Public Accountability (Guam OPA) issues this second flash report on the Guam Department of Education's (GDOE) Education Stabilization Fund (ESF) Expenditures and sheds light on the items purchased by GDOE and their subsequent distribution to Public, Charter, and Private-Non-Public (PNP) schools in response to the Coronavirus Disease 2019 (COVID-19) pandemic. Our objective was to identify the highest-paid vendors and review the items purchased to determine where the expenditures aligned with the three component areas outlined in their ESF grant agreement.

Grant Allocation

As mentioned in Guam OPA Report No. 23-07, issued in August 2023, the ESF grant was created to alleviate complications that arose as a result of the COVID-19 pandemic. From 2020 to 2023, GDOE was granted a total of \$152,085,284 through two rounds of ESF funding.

The initial round of ESF funding (ESF I) amounted to \$41,521,997, and was allocated for use from May 28, 2020 to September 30, 2021. All funds allocated for ESF I have been expended as of June 30, 2023.

The second round of funding (ESF II) totaled \$110,563,287, with an award period spanning from January 13, 2021 to September 30, 2022. Under the Tydings Amendment, GDOE had an additional 12 months to access federal funds. Subsequently, the auto-liquidation period was in effect from October 2023 to January 2024, during which GDOE requested a liquidation extension. In March 2024, GDOE's request for a late liquidation extension of ESF II funds was approved by the U.S. Department of Education (ED) to last until September 30, 2024. As of April 2024, GDOE has utilized most of its \$110.6 million (M) allocation, leaving a remaining balance of \$3.2M.

Grant Agreement

According to the ESF Grant Project Narrative, GDOE outlined three component areas in order to address the learning gap caused by the closure of PNP schools due to the pandemic:

1. Component 1: Distance and Modified Learning Platforms Expansion

To provide support for technology equipment and professional services to expand technology services, including retrofit of infrastructure, and increase internet access throughout the school campuses. Equipment and services will allow for schools to provide means for modified instructional models and hours to address the diverse educational needs, and to serve as community learning centers. Support and services to be provided throughout the performance period.

2. Component 2: Student and Employee Health and Safety

To provide support for protective equipment/supplies/material for students and the education community, and provide support for safe spaces, accommodating the increased number of students participating in the Face to Face Module of Learning and consistent with the Centers for Disease Control and Prevention recommendation for the reopening of schools. Support and services to be provided throughout the performance period.

3. Component 3: Mental, Social, and Behavioral Health and Wellness Support

To provide support for professional services and endorse the leveraging of resources with Federal and state agencies, and community partners to support distance learning, and mental, social, and behavioral health and wellness support. Support and services to be provided through the performance period.

The Top Ten Vendors

Table 1 below displays the top ten highest-paid vendors, covered by ESF I grant funds. The top three vendors are Pacific Data Systems (\$12.9M), Gateway Education Holdings (\$5.0M), and the Houghton-Mifflin-Harcourt (\$3.3M). All vendor expenses fell under the Supplies & Equipment category, meeting Components 1 and 2. Collectively, the top ten vendors spent \$37.6M in total, leaving the remaining 58 vendors with a combined \$9.2M.

Table 1: ESF I Top 10 Vendors

Vendors	ESF I Amounts	Items Purchased	Category of Purchase	Components Met
Pacific Data Systems	\$12,944,009	Student Laptops, Chromebooks	Supplies & Equipment	1
Gateway Education Holdings	\$4,967,662	Hard Copy Instructional Materials, E-books	Supplies & Equipment	1
Houghton-Mifflin-Harcourt	\$3,335,720	Hard Copy Instructional Materials	Supplies & Equipment	1
Data Management Resources	\$2,276,780	Ancillary Software	Supplies & Equipment	1
International Royal	\$1,105,287	PPEs, Sanitization Supplies, Cleaning Supplies	Supplies & Equipment	1, 2
McGraw-Hill Education	\$1,001,521	Hard Copy Instructional Materials	Supplies & Equipment	1
National Office Supply	\$910,223	Instructional Supplies, Administrative Supplies, Printer and Ink	Supplies & Equipment	1
Wang Brother's Holding	\$652,526	Cleaning Supplies, Disposable Face Masks	Supplies & Equipment	1, 2
JMI-Edison	\$622,934	Paper Clips, Flash Drives, Card Stock	Supplies & Equipment	1, 2
M.D. Wholesale	\$605,823	Plastic Rulers, White Glue, Mini White Boards	Supplies & Equipment	1
Top 10 Vendors Subtotal	\$28,422,485			
Remaining 58 Vendors Subtotal	\$5,328,184			
Excluded Entity Subtotal	\$7,771,327			
Grand Total	\$41,521,996			

Disclosures

2. Amounts in this report have been rounded up for simplification.
3. Personal Protective Equipment (PPEs) include items such as face masks, hand sanitizers, alcohol, and spray bottles.

Table 2 below displays the top ten highest-paid vendors paid via ESF II grant funds. Of the ten, the three highest-paid vendors are the Houghton-Mifflin-Harcourt (\$7.4M), Carrier Guam, Inc. (\$5.7M), and Pacific Data Systems (\$5.6M). The categories of expenditures varied, encompassing items falling within varying Components.

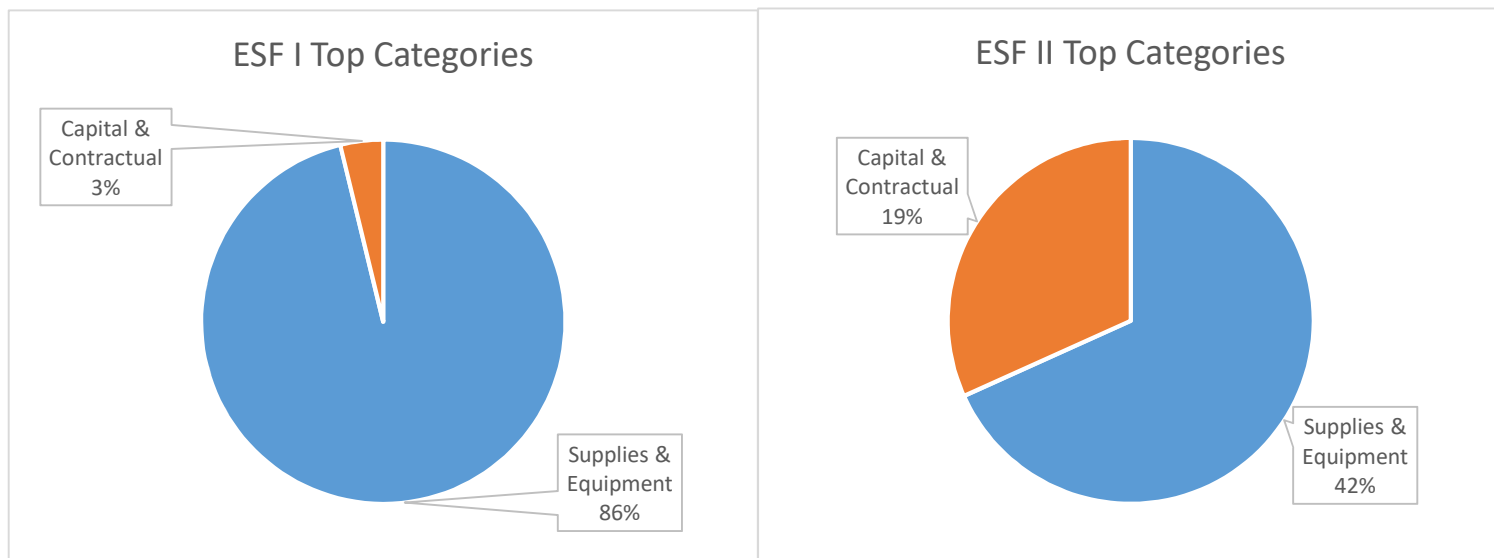
Table 2: ESF II Top 10 Vendors

Vendors	ESF II Amounts	Items Purchased	Category of Purchase	Components Met
Houghton-Mifflin-Harcourt	\$7,371,978	Hard Copy Instructional Materials	Supplies & Equipment	1
Carrier Guam, Inc.	\$5,775,725	HEPA Filtration System & Preventive Maintenance	Supplies & Equipment	2
Pacific Data Systems	\$5,666,242	Laptops, Monitors, Laptop Bags, Charging Cabinets, Software	Supplies & Equipment	1
McGraw-Hill Education, Inc.	\$2,622,540	Activity Books, Picture Cards	Supplies & Equipment	1
M80 Systems, Inc.	\$2,600,271	Delivery & Installation of Acrylic Room Dividers, Bookcases, Sneeze Guards	Supplies & Equipment	2
Data Management Resources, LLC	\$1,826,779	Microsoft Office Professional Plus, Microsoft Windows 10 Education	Capital & Contractual	1
Johndel International, Inc.	\$1,645,128	Flash Drives, Card Stock	Supplies & Equipment	1
International Royal, Inc.	\$1,639,809	Backpacks, Laptop Bags, PPEs, Cafeteria Tables, Trash Cans, Sneeze Guards	Supplies & Equipment	1, 2
JRN Air Conditioning & Refrigeration, Inc.	\$1,604,816	Air Conditioning Preventive Maintenance, Repairs, & Replacements	Capital & Contractual	2
Lucky Kids Lawn Care & Janitorial Services	\$1,589,778	Custodial Services	Capital & Contractual	2
Top 10 Vendors Subtotal	\$32,343,066			
Remaining 265 Vendors Subtotal	\$74,990,180			
Amount Remaining	\$3,230,041			
Grand Total	\$110,563,287			

Top Categories

Figures 1 and 2 provide insight into the distribution of funds across various categories per grant. Guam OPA has established two main categories: (1) Supplies & Equipment and (2) Capital & Contractual. ESF I's allocations are ranked in the following manner: (1) Supplies & Equipment at 86% (\$32.5M) and (2) Capital & Contractual at 3% (\$1.3M). For ESF II, the distribution is as follows: (1) Supplies & Equipment at 42% (\$44.2M) and (2) Capital & Contractual at 19% (\$20.6M).

Figures 1 and 2: ESF Top Categories



Plan for Remaining ESF

As of April 2024, ESF II's balance is approximately \$3.2M. Under the late liquidation period granted by the ED in March 2024, GDOE has until September 30, 2024, to draw down funds from the grant for obligations incurred on or before September 30, 2023. According to GDOE, plans for the remaining ESF II funds have been discussed, with most being obligated but not yet liquidated. As of this report's release date, those plans had not been forwarded to the OPA.

American Rescue Plan Funds

GDOE was awarded \$286.9M of American Rescue Plan (ARP) funding to return students safely to in-person instruction, maximize instructional time, and address learning loss. ARP funds have been utilized to prioritize capital improvement at GDOE schools in order to sustain safe operations of schools with the full implementation of in-person instruction. ARP funding has also allowed GDOE to address learning loss as a result of COVID-19 and offer evidence-based summer, after-school, and other extended learning and enrichment programs. ARP funds have also been utilized to address pay adjustments to the Educator's Pay Plan and employee retention through a one-time Retention Incentive. Similar to ESF, Guam OPA plans to conduct an audit and provide a status of ARP funds and analyze ESF and ARP funds in relation to GDOE's 14 Points for an Adequate Education Act.

GUAM DEPARTMENT OF EDUCATION

Education Stabilization Fund Expenditures

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